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TO AMEMBASSY BUCHAREST NIACT IMMEDIATE

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E.O. 11652: N/A

TAGS: EEWT, RO

SUBJECT: ROMANIAN TRADE AGREEMENT--WAYS AND MEANS HEARINGS

1. SUMMARY: TWO DAYS OF HEARING (MAY 7 AND 8) ON TRADE AGREEMENT BY INTERNATIONAL TRADE SUBCOMMITTEE OF WAYS AND MEANS COMMITTEE REVEAL MINIMAL CONCERN OVER ECONOMIC PROVISIONS OF AGREEMENT. HOWEVER, STRONG RESERVATIONS ON EMIGRATION ISSUE WERE EXPRESSED BY SEVERAL SUBCOMMITTEE MEMBERS, INCLUDING CHAIRMAN GREEN AND CONGRESSMEN PIKE AND ARCHER. IT SEEMS CLEAR THAT FINAL CONGRESSIONAL ACTION ON AGREEMENT WILL AWAIT EXPIRATION OF MUCH OF 60 LEGISLATIVE

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DAY PERIOD AND THAT RESULTS OF CONTINUED AND CLOSE OBSER-

VATION OF ROMANIAN PERFORMANCE ON EMIGRATION WILL BE KEY DETERMINANT OF FINAL DECISION. ROMANIAN EMBASSY OFFICERS WERE PRESENT THROUGHOUT HEARINGS, AND THEY EXPRESSED TO DEPARTMENT OFFICERS THEIR GENERAL SATISFACTION WITH THE WAY THINGS WENT. MORE IMPORTANTLY WHAT THEY TOLD US ABOUT COMMITTEE'S CONCERN WITH EMIGRATION QUESTION CLEARLY SHOWS THEY UNDERSTAND FULLY OUR AND CONGRESS'S POSITION. END SUM.

2. STR AMBASSADOR DENT, COMMERCE UNDER SECRETARY TABOR, AND ASSISTANT SECRETARY HARTMAN TESTIFIED FOR THE ADMINISTRATION. SECRETARY SIMON SUBMITTED SUPPORTING STATEMENT FOR RECORD. QUESTIONING REVEALED ONLY MILD CONCERN AS TO SUBSTANCE OF AGREEMENT, AND SATISFACTION WITH PROVISIONS

APPEARED GENERAL.

3. HOWEVER WE RAN INTO CONSIDERABLE FLACK ON EMIGRATION

ASSURANCES. PIKE PRESSED FOR CRITERIA ON WHICH ROMANIAN PERFORMANCE SHOULD BE JUDGED DURING 60-DAY PERIOD AND AT TIME FIRST RENEWAL OCCURS AND SEEMED NOT WHOLLY SATISFIED WITH OUR ANSWER. GREEN IMPLIED THAT PRESIDENT'S REPORT MIGHT FALL SHORT OF LEGAL REQUIREMENTS OF TRADE ACT AND THAT ONLY CONGRESS SEEMED CONCERNED WITH FULL APPLICATION OF LAW. HARTMAN FORCEFULLY UNDERLINED THAT ADMINISTRATION HAD FULLY MET LEGAL REQUIREMENTS OF ACT AND WAS NO LESS CONCERNED THAN CONGRESS THAT ROMANIAN PERFORMANCE, AS WELL AS ITS WORDS, SERVED THE OBJECTIVES OF ACT. PRESIDENT, HE SAID, WOULD ALSO BE CLOSELY WATCHING WHAT HAPPENED IN NEXT FEW WEEKS AND IF AGREEMENT GOES INTO EFFECT, WHAT HAPPENS IN MONTHS PRIOR TO TIME FOR ITS EXTENSION.

4. RABBI MILLER (CONFERENCE OF PRESIDENTS OF MAJOR JEWISH ORGANIZATIONS) AND DAVID BLUMBERG (INTERNATIONAL PRESIDENT B'NAI B'RITH) TESTIFIED TOGETHER. THEY WELCOMED EXTENSION OF TRADE AGREEMENT PRIVILEGES TO ROMANIA, BUT SAID THEIR ORGANIZATIONS ARE DETERMINED TO SEE THAT PROVISIONS OF JACKSON-VANIK BE OBSERVED. MILLER CONTENDED RECENT ROMANIAN PRACTICE IS CAUSE FOR LIMITED OFFICIAL USE

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"CONCERN AND DISQUIET" AND HE URGED THAT CONGRESS TAKE NO ACTION UNTIL VERY END OF 60-DAY PERIOD. HE CALLED UPON ROMANIANS TO "INSTITUTIONALIZE" EMIGRATION PROCEDURES TO DO AWAY WITH CAPRICIOUSNESS WITH WHICH THEY HAVE PREVIOUSLY ALLOWED CITIZENS TO DEPART. MILLER DEFERRED TO JUDGMENT OF COMMITTEE AS TO WHAT COULD CONSTITUTE ACCEPTABLE PERFORMANCE. HE NOTED THAT ABOUT 10,000 VISA REQUESTS ARE PENDING IN BUCHAREST, ALL OF

WHICH COULD BE RESOLVED "WITHIN A FEW YEARS". IN RESPONSE TO QUERY FROM GREEN, BLUMBERG SAID THAT 10,000 JEWS COULD BE ALLOWED OUT "WITHIN TIME LIMIT OF THIS AGREEMENT". IF EMIGRATION PROCEDURES WERE CHANGED, UP TO 50,000 MIGHT BE CANDIDATES FOR EMIGRATION.

5. AFL-CIO OPPOSED AGREEMENT, AS DID STONE, GLASS AND CLAY COORDINATING COMMITTEE (COMPOSED OF SEVEN AFL/CIO AFFILIATES, INCLUDING GLASSWORKERS). THEIR OPPOSITION WAS ON GROUNDS THAT AGREEMENT WOULD LEAD TO INDUSTRIAL JOB LOSSES BECAUSE OF LOW-WAGE COMPETITION. FATHER GALDAU (AMERICAN ROMANIAN COMMITTEE FOR ASSISTANCE TO REFUGEES) ATTACKED ROMANIAN POLICIES IN GENERAL, BUT DID NOT EXPRESS DIRECT VIEW AS TO WHETHER AGREEMENT SHOULD BE APPROVED. THOSE SPEAKING AGAINST THE AGREEMENT ALSO INCLUDED PAMFIL RIPOSEANU, LAWYER REPRESENTING CLAIMS CASES OF CARJA AND UNGUREANU. SASZ OF AMERICAN-HUNGARIAN FEDERATION SPOKE OF TRIBULATIONS OF HUNGARIAN

COMMUNITY BUT DECLINED TO COME OUT DEFINITELY AGAINST AGREEMENT, WITH "WE ARE IN FAVOR OF REUNIFYING DIVIDED FAMILIES, BUT..." APPROACH. PERHAPS MOST EMOTIONALLY EFFECTIVE OPPONENT WAS FATHER USHERIU OF WASHINGTON ORTHODOX PARISH WHO LISTED A NUMBER OF DIVIDED FAMILIES WHICH GOR HAD REFUSED TO COOPERATE IN REUNITING.

6. TESTIMONY BY REPRESENTATIVES OF CHAMBER OF COMMERCE, NEW YORK WORLD TRADE CLUB, NATIONAL ASSOCIATION OF MANUFACTURERS, EAST-WEST TRADE COUNCIL, PROFESSOR PAUL MARER OF INDIANA UNIVERSITY, CONTROL DATA, GREAT EASTERN LUMBER COMPANY, ALBERT SCHWARTZ OF SCULPTURED TUBING, AND AMIRACO CORP. AS WELL AS BARBU NICULESCU WAS UNIFORMLY FAVORABLE.
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7. FORMER AMBASSADOR WILLIAM CRAWFORD ALSO SUPPORTED AGREEMENT AND MADE FAVORABLE REFERENCES TO ROMANIAN EMIGRATION PERFORMANCE FOLLOWING JUNE, 1964 AGREEMENT ON DIVIDED FAMILIES AND DUAL NATIONALS. THIS MADE GOOD IMPRESSION, ALTHOUGH SUBSEQUENT QUESTIONING REVEALED THAT SEVERAL COMMITTEE MEMBERS HAVE DOUBTS THAT ROMANIAN SHOULD QUALIFY FOR GSP. THEY ARGUED THAT ROMANIA'S ECONOMIC DEVELOPMENT WAS TOO ADVANCED FOR DESIGNATION AS DEVELOPING COUNTRY.

8. COMMENT: OUR OVERALL IMPRESSION REMAINS AS BEFORE: THIS PACKAGE WILL NOT BE OUT OF THE WOODS UNTIL CONGRESS IS SATISFIED WELL BEFORE END OF LEGISLATIVE PERIOD THAT GOR EMIGRATION HAS IMPROVED MARKEDLY. ROMANIAN EMBASSY

OBSERVERS AT HEARING CLEARLY UNDERSTOOD THIS. MOREOVER
IT SEEMS LIKELY THAT AT SOME POINT WE WILL HAVE TO TALK
SPECIFIC NUMBERS OR INDICATE MORE SPECIFICALLY CRITERIA
WE WILL BE USING TO MEASURE SUBSTANTIAL PROGRESS ON
EMIGRATION FRONT. END COMMENT. KISSINGER

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